



# County of Los Angeles **CONTRACTOR HEARING BOARD**

713 Kenneth Hahn Hall of Administration • Los Angeles, California 90012

February 8, 2005

*Member Departments:*  
*Chief Administrative Office*  
*Office of Affirmative Action Compliance*  
*Internal Services Department*  
*Department of Public Works*

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **DEBARMENT OF MTS ADVANCED CORPORATION (ALL DISTRICTS AFFECTED) (3 VOTES)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Adopt the proposed findings, decision, and recommendations of the Contractor Hearing Board to debar MTS Advanced Corporation and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez, from bidding on, being awarded, and/or performing work on any contracts for the County of Los Angeles for a period of 15 months from the date of your Board's approval.
2. Instruct the Executive Officer, Board of Supervisors, to send notice to Mr. Emir Khan, Ms. Zulaine Hernandez, and MTS Advanced Corporation, advising of the debarment action taken by your Board.
3. Instruct the Director of Internal Services to enter this determination to debar MTS Advanced Corporation, Mr. Emir Khan, and Ms. Zulaine Hernandez into the Contract Data Base.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended debarment action against the contractor, MTS Advanced Corporation (MTS), and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez, is to ensure the County of Los Angeles (County) contracts only with responsible contractors who comply with the terms and conditions of their County contracts, and with any relevant Federal, State, and local laws.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the County's Vision which supports shared values of integrity, professionalism, and accountability, and envisions the County as the premier organization for those working in the public's interest with a pledge to always work to earn the public trust.

### **FISCAL IMPACT/FINANCING**

Not applicable.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

#### **The Contractor Non-Responsibility and Debarment Ordinance**

The Contractor Non-Responsibility and Debarment Ordinance, County Code Chapter 2.202, provides the County with the authority to terminate contracts and debar contractors when the contractor has violated any term of the contract or committed specified offenses that indicate a lack of honesty, business integrity, or capacity to perform County contracts. In considering debarment, the County may consider the seriousness and extent of the contractor's acts, omissions, patterns, or practices and any relevant mitigating factors.

#### **Contractor Hearing Board (CHB) Responsibilities**

County Code Chapter 2.202, the Contractor Non-Responsibility and Debarment Ordinance, established the CHB to provide an independent review of the contracting department's recommendation to debar a contractor. The CHB is chaired by a representative from the Chief Administrative Office (CAO) and includes one representative from the Office of Affirmative Action Compliance (OAAC) and the Departments of Internal Services (ISD) and Public Works (DPW), respectively. The CAO is a nonvoting member except in the event the debarment action is initiated by the OAAC, ISD, or DPW. In such instances, the CAO exercises its vote and the CHB member from the department bringing the debarment action must recuse himself/herself from any participation in the hearing. In this particular debarment hearing, the representative from ISD did not sit on the CHB as the debarment action was initiated against an ISD contractor. Therefore, the CAO representative voted.

#### **MTS Advanced Alleged Lack of Business Integrity or Honesty**

Previously, on March 4, 2003, your Board debarred MTS Advanced Corporation, along with its president and then-principal owner, Mr. Emir Khan, for four months. In particular, your Board unanimously found that MTS Advanced was impermissibly subcontracting "time and materials" work orders in direct violation of its Information Technology Support Services Master Agreement (ITSSMA) contract while representing the subcontractors to be employees of MTS Advanced. The debarment period was to end on July 3, 2003. The CHB was not asked to consider debarment as it related to Ms. Zulaine Hernandez.

In November 2003, ISD requested the CAO to convene the CHB to initiate debarment proceedings against MTS Advanced and its principal owner(s) for committing an act or omission which indicates a lack of business integrity or business honesty. County Code Chapter 2.202, the County's Non-Responsibility and Debarment Ordinance, provides that prior to a contract award, the County may determine that a contractor submitting a bid or proposal (bidder/proposer) is non-responsible

for purposes of that contract. A finding of non-responsibility means that a bidder/proposer is prohibited from being awarded and/or performing work on that contract. This finding is appropriate due to the nature of the violation that the CHB believes MTS Advanced and its principal owners, Mr. Emir Khan, and Ms. Zulaine Hernandez, have committed.

On November 18, 2003, ISD sent a certified letter to Mr. Emir Khan, notifying him of their intent to initiate debarment proceedings against the company and its principal owner(s) at a hearing scheduled for December 10, 2003 at 1:00 p.m., in the Kenneth Hahn Hall of Administration (Attachment I). Both the contractor and ISD requested different postponements and the hearing was eventually scheduled for July 21, 2004 at 1:00 p.m., in the Assessment Appeals Board, Room B-4, of the Kenneth Hahn Hall of Administration (Attachment II). MTS Advanced, Mr. Emir Khan, and Ms. Zulaine Hernandez, as well as their attorney Ms. Evelyn Gruen, were provided notices of the proposed debarment action and hearing before the CHB.

The hearing was conducted and, due to the length of the testimony of various witnesses, the matter was continued and publicly noticed for August 5, 2004 at 1:00 p.m., in Room B-28, Hearing Room E, of the Kenneth Hahn Hall of Administration. The hearing concluded on August 5, 2004 with the CHB recommendations for contractor debarment for the period of 15 months. The proceedings were recorded and an audiotape is available upon request, as well as all documents entered into the record as exhibits during the hearing.

- Attachment III is a listing of the exhibits that were entered into the record.
- Attachment IV is a listing of CHB members, ISD investigators, participating attorneys, and witnesses.

## **FINDINGS**

A majority of CHB found that the documentary and testimonial evidence entered into the record demonstrated by the preponderance of evidence that MTS Advanced, Mr. Emir Khan, and Ms. Zulaine Hernandez committed acts or omissions that demonstrated a lack of business integrity or business honesty sufficient to warrant a debarment recommendation. The CHB also determined that there were mitigating circumstances which influenced its decision not to recommend the maximum period of debarment, as discussed below.

### **1. Altered/Fraudulent Workers' Compensation Insurance Certificates:**

The CHB found that a preponderance of evidence showed that there were clear discrepancies in the Workers' Compensation Insurance certificates submitted by MTS Advanced and that the certificates were both inaccurate and intentionally altered. The CHB further found that MTS Advanced, in its efforts to re-qualify as an ITSSMA vendor after its prior debarment, submitted these intentionally altered workers' compensation insurances certificates.

On June 10, 2003, as part of submitting a Statement of Qualification (SOQ), MTS Advanced was required to submit original insurance certificates, evidencing that MTS Advanced carried General Liability, Auto, and Workers' Compensation Insurance. However, MTS Advanced failed

to provide any such certificates, originals or otherwise. Accordingly, ISD requested that MTS Advanced provide the required original certificates as proof of insurance. (The existence of General Liability and Auto coverage was subsequently confirmed, and was not at issue in this proceeding.) In response, MTS Advanced sent a facsimile transmittal copy of a Workers' Compensation certificate to ISD on August 12, 2003. However, this facsimile copy was not an original certificate, as required, and further, this certificate contained several questionable marks:

- At the top of the certificate, the date was covered up or typed over. Notably, the font was different than the font used to type the name of the Producer and the Insured;
- In the Workers' Compensation and Employer Liability box, the policy effective date and expiration date was covered up and typed over. And again, the font on these dates were different from the font on the policy number and coverage amounts;
- In the lower left box, the name of the certificate holder as Additional Insured was covered up. There was a residual trace of the letter "L" and other marks still visible in the box.

Accordingly, per its policy of requiring original certificates, and as per the foregoing questionable marks, ISD yet again asked MTS Advanced to submit the original Workers' Compensation insurance certificate. In response, on August 14, 2003, MTS Advanced mailed a Workers' Compensation insurance certificate to ISD. However, what ISD received in the mail was not the requested original. The certificate was a photocopy, and most significantly, it was not the same certificate which MTS Advanced had previously faxed. This second certificate had all of the previous questionable marks, as well as some new ones:

- In the upper left corner, the telephone number for the Producer was changed. The area code remained the same, but the seven-digit phone number was clearly in a different font.
- At the very top of the page, the fax transmission header was blocked out. All that remained was a residual "Page 1 of 1" in the upper right. No other fax transmission data appears. In sharp contrast, the faxed certificate read "From: Nick To: Fax8662330."

Furthermore, subsequent phone calls made by ISD to the Insurance Company in question confirmed that the Workers' Compensation Insurance certificate submitted by MTS Advanced was not valid and that there was no active policy written to by the Insurance Company for MTS Advanced.

In addition to the aforementioned evidence, ISD asked an independent forensic document examiner to analyze the three Workers' Compensation certificates at issue. (A true and correct copy of the examiner opinion is contained in the records of the CHB proceeding and available upon request.) The expert opinion was consistent with ISD analysis. In particular, the forensic examiner concluded that the underlying Workers' Compensation certificate was the source

document for the two Workers' Compensation certificates sent to ISD: the faxed Workers' Compensation certificate and the mailed Workers' Compensation, both of which were altered versions. As a direct result of the evidence presented against MTS Advanced, ISD requested the maximum debarment of period of three years.

MTS Advanced elected to refrain from presenting evidence and rather relied upon its legal brief which was timely submitted to the CHB. Evelyn J. Gruen, the attorney for MTS Advanced and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez, asserted in the legal brief submitted to the CHB that MTS Advanced claimed to submit an appropriate application to qualify as an ITSSMA vendor to ISD and the Chief Information Office (CIO). In addition, Ms. Gruen noted in the legal brief that all follow-up requests for additional information and/or documentation received by MTS Advanced from ISD were responded to promptly by MTS Advanced. According to Ms. Gruen, as an experienced ITSSMA vendor, MTS Advanced found the "delays, stall tactics and piecemeal request it received from ISD to be highly usual and disconcerting." In defense of MTS Advanced, Ms. Gruen contended in the legal brief that MTS Advanced's inquiries regarding status of its application were met with excuses, repeated requests for the same documents, and ultimately failures to respond to telephone calls by ISD staff, protracting the application process for in excess of four months and never stating directly or even intimating that there were questions about the validity of a Certificate of Insurance until ISD called a meeting on October 6, 2003. At this meeting, MTS Advanced was first advised by ISD of possible document alteration, misrepresentation, and possible debarment proceedings as a result.

On the subject of the allegedly altered Workers' Compensation Insurance Certificate, Ms. Gruen asserted in the legal brief submitted to the CHB that MTS Advanced contacted its insurance company to provide the requested certificate. However, Ms. Gruen stated that "the owner was on vacation and his office was staffed by temporary personnel in his absence." At their request, MTS Advanced received a Workers' Compensation Insurance Certificate by fax from the insurance company and then, relying upon the accuracy of the certificate, both faxed and mailed said certificate to ISD and at that time, MTS Advanced did not know nor did it have reason to know that coverage had in fact, been canceled according to the legal brief submitted by Ms. Gruen. Ms. Gruen indicated that "MTS Advanced had received no such notification of cancellation, although during that period of time, it had moved office locations and had experienced a turnover of administrative and clerical staff." Upon learning of such cancellation, Ms. Gruen pointed out in the legal brief that "MTS Advanced took immediate steps to remedy the situation, obtaining coverage from a different insurance company." In conclusion, Ms. Gruen summarized her defense of MTS Advanced, and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez by accusing ISD of stalling and ultimately terminating the processing of MTS Advanced application for qualification as an ITSSMA vendor and referring the company for debarment proceedings, all the while smearing the company's reputation and accusing it of dishonesty and lack of integrity based on allegations on "whiting out" and altering the insurance certificate.

After presentation of the evidence, the CHB discussed the merits of both parties' arguments. Members of the CHB observed that one of MTS Advanced principal owners, Ms. Zulaine Hernandez, did not attend either debarment hearing. The attorney for MTS Advanced presented

a declaration that indicated that Ms. Zulaine Hernandez was unable to attend the hearings due to personal family matters of a private nature at which she was not at liberty to disclose. The CHB deliberated in relation to the altered Workers' Compensation Insurance Certificates and unanimously agreed that the documents in question had been deliberately altered before submission to ISD. However, the CHB could not initially agree that MTS Advanced submitted the altered documents to ISD with the deliberate intent to deceive ISD in its attempt to qualify as an ITSSMA vendor. One member of the CHB noted that MTS Advanced had the motivation, the opportunity, and would receive the financial benefit if the altered document was accepted by ISD on their behalf as part of the ITSSMA proposal. Specifically, the mailed version of the altered Workers' Compensation certificate included a transmittal letter signed by Mr. Emir Khan. The CHB ultimately agreed that the conduct displayed a lack of business honesty and integrity in that a contractor must be responsible for the content of the correspondence that it submits, altered certificates were in fact submitted on more than one occasion; and at best, Mr. Emir Khan displayed poor business practices in submitting the altered certificate. The CHB also concluded that MTS Advanced alleged actions were not representative of the type of company that the County would like to conduct business with or have any dealings in the future.

Based upon the evidence presented, the CHB concluded that MTS Advanced and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez, committed acts or omissions that demonstrated a lack of business integrity or business honesty sufficient to warrant a debarment recommendation.

2. Principal Owners:

Oral and written evidence presented by ISD indicated that Mr. Emir Khan and Ms. Zulaine Hernandez were the principal owners of MTS Advanced. Also, Ms. Gruen conceded that Mr. Emir Khan and Ms. Zulaine Hernandez were the principal owners of MTS Advanced and did not present any showing to the contrary.

3. Period of debarment:

The CHB, by a majority vote, agreed to recommend debarment to your Board for MTS Advanced and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez. The dissenting vote was cast by a CHB member who did not believe that evidence was presented by ISD to directly connect Ms. Zulaine Hernandez with acts demonstrating a lack of business integrity or business honesty.

The CHB then addressed the issue of the recommended period of debarment for MTS Advanced and its principal owners, Mr. Emir Khan and Ms. Zulaine Hernandez. After initially voting against a proposed debarment period of 18 months, the CHB unanimously voted to recommend a lesser debarment period of 15 months effective from the date of your Board's approval. One of the CHB members was of the opinion that the dishonesty, lack of business integrity, and the prior fraudulent acts displayed by MTS Advanced were particularly troubling and, therefore, warranted a longer period of debarment. A majority of CHB members did not agree and expressed a belief that a debarment period of 18 months was excessive.

In conclusion, the unanimous vote on the length of debarment considered the level of uncertainty surrounding the submission of the Workers' Compensation Insurance certificates by MTS Advanced to ISD, but also found the proven acts and omissions of MTS Advanced sufficient to warrant the penalty period. Also, the CHB noted that due to a prior debarment, MTS Advanced has not been allowed to procure any work from the County since February 2003, a period of over 18 months.

**IMPACT ON CURRENT PROJECTS**

Not applicable.

**CONCLUSION**

The Contractor Non-Responsibility and Debarment process is working as your Board intended to help assure that the County contracts only with responsible contractors who comply with all relevant laws, as well as the terms and conditions of their contracts. The process has also identified potential areas for County contracting program improvements to promote a better understanding of contracting requirements.

Respectfully submitted,



MARTIN K. ZIMMERMAN  
Chair, Contractor Hearing Board  
Acting Branch Manager, Chief Administrative Office

MKZ:VLA:os

Attachments (4)

- c: David E. Janssen, Chief Administrative Officer
- Dennis A. Tafoya, Affirmative Action Compliance Officer
- J. Tyler McCauley, Auditor-Controller
- Raymond G. Fortner, County Counsel
- Dave Lambertson, Director of Internal Services
- Donald L. Wolfe, Acting Director of Public Works
- Emir Khan, Owner of MTS Advanced Corporation
- Zulaine Hernandez, Owner of MTS Advanced Corporation
- Evelyn J. Gruen, Attorney at Law



Dave Lambertson  
Interim Director

TELEPHONE: (323) 267-2101  
FACSIMILE: (323) 264-7135

**COUNTY OF LOS ANGELES**  
**Internal Services Department**

1100 North Eastern Avenue  
Los Angeles, California 90063



*Enriching Lives*

**VIA CERTIFIED MAIL**  
**Return Receipt Requested**

November 18, 2003

Mr. Emir Khan  
MTS Advanced Corporation  
29219 Canwood Street, Suite 120  
Aguora Hills, CA 91301

Dear Mr. Khan:

**NOTICE OF LOS ANGELES COUNTY DEBARMENT HEARING**  
**DECEMBER 10, 2003**

This serves as notice that the County of Los Angeles Internal Services Department (ISD) intends to initiate debarment proceedings against MTS Advanced Corporation (MTS) and its principal owner(s). Debarment would prohibit MTS and its principal owner(s) from bidding upon, being awarded, and/or performing any work on any contract with the County of Los Angeles for a specified period of time not to exceed three (3) years. Chapter 2.202 of the Los Angeles County Code authorizes this debarment action.

A Debarment Hearing will be held where the Contractor Hearing Board will hear evidence on the proposed debarment. At the hearing, MTS is entitled to appear and/or be represented by an attorney or other authorized representative to present evidence against a finding of debarment. At the hearing, MTS' representative may offer documentary evidence, present witnesses, and offer rebuttal evidence.

After the hearing, the Contractor Hearing Board will prepare a proposed decision. This decision will contain a recommendation to the Los Angeles County Board of Supervisors as to whether or not MTS should be debarred and, if so, the appropriate length of time for debarment. The Board of Supervisors has the right to modify, deny, or adopt the Contractor Hearing Board's proposed decision and recommendation.

You are hereby notified that the Debarment Hearing will be held on:

**DATE:** Wednesday, December 10, 2003  
**TIME:** 1:00 p.m. – 5:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration  
Assessment Appeals Board Room B-4,  
Hearing Room-B  
500 W. Temple Street  
Los Angeles, CA 90012



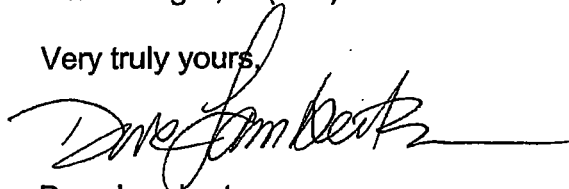
Mr. Emir Khan  
November 18, 2003  
Page 2

This action is being taken as your company committed an act or offense, which indicates a lack of business integrity or business honesty. My staff discovered the act during routine verification of the insurance documentation submitted with your Information Technology Support Service Master Agreement (ITSSMA) Statement of Qualifications (SOQ). The facts supporting the County's findings include the existence of physical documentation, which is summarized in the attachment. The documents described in this notice and other evidence collected in the investigation convinces ISD that your firm submitted altered documentation to substantiate meeting ISD requirements to obtain an ITSSMA.

You must confirm with the department, either orally or in writing, whether you and/or your representative intend to be present at the hearing. Your response must be received no later than December 2, 2003. Failure to confirm the hearing date or otherwise respond to this notice may result in MTS waiving all rights of appeal.

If you have any questions or wish to confirm your attendance at the hearing, please contact Ms. Kathy Hanks, Contracting Division Manager, at (323) 267-3101.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dave Lambertson", with a long horizontal line extending to the right.

Dave Lambertson  
Interim Director

DL:MM

Attachment

c: County Counsel  
Contractor Hearing Board Members

## **ATTACHMENT**

### **MTS ADVANCED APPLICATION FOR ITSSMA SUMMARY OF DOCUMENT DEFICENCIES**

The Certificate of Insurance for Workers' Compensation submitted for the period of July 1, 2003 – July 1, 2004 by MTS appears to be an altered duplicate of the same Insurance Certificate previously submitted for the period of June 30, 2002-June 30, 2003.

The Certificate copy submitted by MTS with its SOQ appears to have specific information removed and/or "whited out" and new information typed in a different font to replace the date, the period of coverage, and the phone number under "Producer."

A copy of this Certificate was faxed to ISD from MTS on August 12, 2003. In addition, a duplicate of the same Certificate was sent by MTS to ISD via U.S. Mail received on August 19, 2003 with further alteration for the same period of July 1, 2003 – July 1, 2004.

ISD staff called both of the companies named on the Certificate copy received - Granite State Insurance and Nick Gobrial (Farmer's Insurance Agent) as well as Farmer's Corporate Offices to confirm if this was a valid certificate.

All deny that there is or was a policy in place for the period of July 1, 2003 – July 1, 2004. Both Mr. Gobrial and Granite State indicated that MTS had an active policy for the period of June 30, 2002 – June 30, 2003 but that it was cancelled for non-payment in November 2002. Both Nick Gobrial and Granite indicated that MTS never had a policy in force for the period of July 1, 2003 – July 1, 2004.

Conversely, an original Certificate was later submitted to ISD for Workers' Compensation coverage with Hartford for the period of August 20, 2003 – August 20, 2004. Therefore, this would reflect two separate policies for Workers' Compensation that overlapped an eleven-month period.

The original Certificate reflecting coverage for the period of July 1, 2003 – July 1, 2004 which had been faxed and mailed was never received by ISD as required nor did Mr. Khan ever provide proof of payment as requested by ISD.



**COUNTY OF LOS ANGELES**  
**Internal Services Department**  
1100 North Eastern Avenue  
Los Angeles, California 90063

Attachment II



**Dave Lambertson**  
Interim Director

*To enrich lives through effective and caring service.*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

**VIA CERTIFIED MAIL**  
**Return Receipt Requested**

May 26, 2004

Mr. Emir Khan  
MTS Advanced Corporation  
20251 Ventura Boulevard, Suite D  
Woodland Hills, CA 91364

Ms. Zulaine Hernandez  
MTS Advanced Corporation  
20251 Ventura Boulevard, Suite D  
Woodland Hills, CA 91364

Ms. Evelyn Jeanette Gruen, M.B.A., M.B.T.  
Attorney at Law  
P.O. Box 202  
Simi Valley, CA 93026

Dear Mr. Khan, Ms. Hernandez and Ms. Gruen:

**MTS ADVANCED CORPORATION**  
**NOTICE OF LOS ANGELES COUNTY DEBARMENT HEARING**  
**JULY 21, 2004**

This serves as notice that the County of Los Angeles Internal Services Department (ISD) intends to initiate debarment proceedings against MTS Advanced Corporation, Emir Kahn, Zulaine Hernandez, and all principal owners of MTS Advanced Corporation (jointly and/or separately, the "Contractor"). Debarment would prohibit Contractor from bidding upon, being awarded, and/or performing any work on any contract with the County of Los Angeles for a specified period of time not to exceed three (3) years. Chapter 2.202 of the Los Angeles County Code authorizes this debarment action.

A Debarment Hearing will be held where the Contractor Hearing Board (CHB) will hear evidence on the proposed debarment. At the hearing, Contractor is entitled to appear and/or be represented by an attorney or other authorized representative to present evidence against a finding of debarment. At the hearing, Contractor's representative may offer documentary evidence, present witnesses, and offer rebuttal evidence.

May 26, 2004  
Page 2

After the hearing, the CHB will prepare a proposed decision. This decision will contain a recommendation to the Los Angeles County Board of Supervisors as to whether or not Contractor should be debarred and, if so, the appropriate length of time for debarment. The Board of Supervisors has the right to modify, deny, or adopt the CHB's proposed decision and recommendation.

You are hereby notified that the Debarment Hearing will be held on:

**DATE:** July 21, 2004  
**TIME:** 1:00 p.m. - 4:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration  
Assessment Appeals Board Room B-4,  
Hearing Room-B  
500 W. Temple Street  
Los Angeles, CA 90012

This action is being taken as Contractor has committed an act or offense, which indicates a lack of business integrity or business honesty. My staff discovered the act during routine verification of the insurance documentation submitted with your Information Technology Support Service Master Agreement (ITSSMA) Statement of Qualifications (SOQ). The facts supporting the County's findings include the existence of physical documentation, which is summarized in the attachment. The documents described in this notice and other evidence collected in the investigation convinces ISD that your firm submitted altered documentation to substantiate meeting ISD requirements to obtain an ITSSMA. ISD will provide the Contractor and the CHB with a list of prospective witnesses and copies of all documentary evidence at least five (5) working days prior to the scheduled hearing, on or before July 14, 2004.

Contractor must confirm with the department, either orally or in writing, whether Contractor and/or Contractor's representative intend to be present at the hearing. Contractor's response must be received no later than June 22, 2004. Failure to confirm the hearing date or otherwise respond to this office may result in Contractor waiving all rights of appeal.

If Contractor intends to present evidence against the proposed debarment, Contractor must provide ISD and the CHB with a list of prospective witnesses and copies of all documentary evidence at least five (5) working days prior to the scheduled hearing, on or before July 14, 2004. Provide one copy of all notices, documents and lists to:

Ms. Kathy Hanks, Manager  
Contracting Division  
Internal Services Department  
1100 North Eastern Avenue  
Los Angeles, California 90063

May 26, 2004  
Page 3

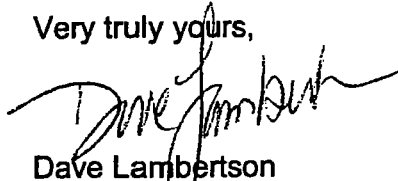
Provide the five copies of the aforementioned items for the CHB to:

Ms. Dorothea Park  
Kenneth Hahn Hall of Administration  
Room 723  
500 West Temple Street  
Los Angeles, CA 90012

Contractor is advised that the Contractor and ISD may agree to submit the matter to the CHB on documentary evidence alone.

If you have any questions or wish to confirm your attendance at the hearing, please contact Ms. Kathy Hanks, Contracting Division Manager, at (323) 267-3101.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dave Lambertson", written over the typed name.

Dave Lambertson  
Interim Director

DL:MM

Attachment

c: County Counsel  
Contractor Hearing Board Members

EXHIBITS ENTERED INTO THE RECORD OF THE DEBARMENT HEARING OF MTS ADVANCED CORPORATION AND ITS PRINCIPAL OWNERS, MR. EMIR KHAN AND ZULAINÉ HERNANDEZ

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**County of Los Angeles, Internal Services Department:**

Debarment Brief, consisting of:

- ❖ Fact Sheet
- ❖ Witness List
- ❖ 16 Exhibits, including March 4, 2003 BOS Minutes; MTS Statement of Qualifications; ITSSMA Administrative Checklist, SOQ Compliance Phone Log; MTS fax re: General Liability and Auto Insurance; July 15, 2002 WC Certificate; August 12, 2003 MTS fax with WC Certificate; August 18, 2003 MTS mailed WC Certificate; August 19, 2003 email, August 20, 2003 ISD fax to Gobrial Insurance; August 25, 2003 Gobrial Insurance fax to ISD; September 24, 2003 email; MTS fax re: Hartford Insurance; Linda Nolan meeting notes; Frank Hick's declaration; and May 26, 2004 Debarment Hearing Notice.

**MTS Advanced Corporation:**

- ❖ Debarment Hearing Brief prepared for MTS by Evelyn J. Gruen, Attorney at Law, including: Facts and Statement of the Case, Applicable Law and Case Law.
- ❖ Witness List
- ❖ 8 Exhibits, including August 6, 2002 letter from Gobrial Insurance to MTS Advanced; Copy of fax transmittal cover sheet for MTS Advanced dated July 24, 2003 to ISD; Fax from AIG to Superior Access Insurance Services dated July 25, 2003; copy of fax transmittal cover sheet for MTS Advanced dated August 4, 2003 to ISD; Copy of letter dated August 13, 2003 from MTS Advanced to ISD; Copy of fax transmittal cover sheet from C.A. Bridge & associates dated August 3, 2003 to MTS Advanced; Copy of fax transmittal cover sheet from MTS dated September 3, 2003 to ISD (re: Certificate of Insurance); and Copy of fax transmittal cover sheet from MTS Advanced dated September 3, 2003 to ISD (re: reference letter).
- ❖ Declaration from Emir Khan dated August 4, 2004.

**PARTICIPANTS IN THE CONTRACTOR HEARING BOARD DEPARTMENT PROCEEDINGS FOR  
MTS ADVANCED CORPORATION, EMIR KHAN AND ZULAINA HERNANDEZ**

**JULY 21 & AUGUST 5, 2004**

**1:00 P.M.**

**KENNETH HAHN HALL OF ADMINISTRATION  
ASSESSMENT APPEALS BOARD ROOM B -28, ROOM E  
500 WEST TEMPLE STREET  
LOS ANGELES, CA 90012**

**CONTRACTOR HEARING BOARD**

MARTIN ZIMMERMAN, CHAIR, ACTING BRANCH MANAGER, CHIEF ADMINISTRATION OFFICE

OZIE L. SMITH, SENIOR DEPUTY COMPLIANCE OFFICER, OFFICE OF AFFIRMATIVE ACTION  
COMPLIANCE

PAUL GOLDMAN, MANAGEMENT SPECIALIST II, CONTRACTING SERVICES, DEPARTMENT OF  
PUBLIC WORKS

NANCY TAKADE, LEGAL ADVISOR TO THE CHB, SENIOR DEPUTY COUNTY COUNSEL

VINCENT AMERSON, CHIEF ADMINISTRATIVE OFFICE, STAFF TO THE CHB

**INTERNAL SERVICES DEPARTMENT**

LINDA NOLAN, MANAGER, CONTRACT COMPLIANCE SECTION

MARK W. MANNING, SECTION MANAGER, ITSSMA CONTRACTS

LARRY SHIROMA, CHIEF PROGRAM SPECIALIST, CHIEF ADMINISTRATION OFFICE (JULY  
HEARING ONLY)

ANITA WILSON, SECRETARY III, ITSMA CONTRACTS (JULY HEARING ONLY)

JOHN L. GEIGER, COUNSEL FOR THE INTERNAL SERVICES, SENIOR DEPUTY COUNTY COUNSEL

**MTS ADVANCED CORPORATION**

EMIR KHAN, OWNER, MTS ADVANCED CORPORATION (JULY HEARING ONLY)

EVELYN J. GRUEN, ATTORNEY AT LAW

**EXPERT WITNESS**

A. FRANKS HICKS, FORENSIC DOCUMENT EXAMINER (JULY HEARING ONLY)